

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO


IN RE:)	
)	Bankruptcy No. 01-23068-EEB
NORTH LILY MINING COMPANY, INC.,)	
a Utah corporation,)	Chapter 11
EIN: 87-0159350)	
)	
Debtor.)	
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IN RE:)	
)	Bankruptcy No. 01-23069-EEB
XERES TINTIC, LLC,)	Chapter 11
EIN: 84-1528808)	
)	Jointly Administered Under
Debtor.)	Bankruptcy No. 01-23068-EEB
)	Chapter 11

**NOTICE OF FILING EXHIBIT B TO JOINT DISCLOSURE
STATEMENT TO ACCOMPANY FIRST AMENDED PLAN
OF REORGANIZATION DATED JANUARY 4, 2002**

The Debtor, by and through its attorneys, Kutner Miller Kearns, P.C., herewith submits Exhibit B to the Disclosure Statement to Accompany First Amended Plan of Reorganization Dated January 4, 2002, which was filed with the Court on February 4, 2002.

DATED: February 5, 2002.

Respectfully submitted,

By: 
Lee M. Kutner #10966
Jenny M.F. Fujii #30091

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North Lily Mining Co.			
Pro Forma Statement of Operations	1 Feb thru		1 Jan thru
Projections	31-Dec-2002		31-Dec-2003
Revenue *			
Land sales	\$ 2,230,110		
Total revenues	2,230,110		0
Cost of sales			
Cost of land sales	436,754		
50% Sharing per LOA	168,729		
Net revenue	\$ 1,624,627		0
Operating expenses			
Bank charges	(350)		(350)
Health insurance	(29,780)		(29,780)
Office rent	(31,700)		(27,900)
Storage - files, equipment	(2,300)		(2,300)
Salaries & payroll taxes	(158,300)		(158,300)
Audit, legal, accounting	(60,000)		(20,000)
Business & travel expenses	(8,000)		(15,000)
Office expenses, supplies, etc.	(3,000)		(3,000)
Transfer agent - fees	(10,530)		(14,400)
Public relations shareholders'	(17,000)		(12,000)
Filing fees	(3,000)		(2,500)
Reclamation costs	(8,000)		(3,000)
Enivormmental costs	(5,000)		(5,000)
Total Operating Expenses	(336,960)		(293,530)
Operating Profit (loss)	\$ 1,287,667		(293,530)
Other income (expenses)			
Interest income			
Interest expense	(21,900)		(5,000)
Other net	22,000		24,000
Net profit (loss)	\$ 1,287,767		(274,530)
*see attached Land Sales Schedules			

EXHIBIT

B

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North Lily Mining Co.			
Pro Forma Cash Flow			
Projections		2002	2003
Cash flow from operating activities			
Net Profit (Loss)	\$	<u>1,287,767</u>	<u>(274,530)</u>
Use of Funds *			
Loan Payment - Old West Life Ins		(588,884)	
US Bank		(102,000)	
Juab County		(9,984)	
Utah County Treasurer		(26,464)	
Dept Revenue Colo		(1,793)	
IRS		(27,504)	
IRS		(28,096)	
Utah Tax Commission		(2,815)	
S Flechner		(4,575)	
W Webb		(4,575)	
Anaconda-Deer Lodge County Montana		(1,468)	
Payment to Unsecured Creditors		(190,279)	
Loan Payment - Karin Prior		(39,374)	
JBR Consultants		(71,239)	
Standard Group/LOA			(178,282)
Total Use of Funds		(1,099,050)	(178,282)
Net cash provided (used) perating activies	\$	188,717	(452,812)
Cash flows from finnacing activities			
Proceeds received from LOA agreement		80,000	
Proceeds received from issuance of stock		<u>500,000</u>	
Net cash provided by financing activities		580,000	
Net increase (decrease) in cash		768,717	(452,812)
Cash beginning of period			768,717
Cash end of period	\$	<u>768,717</u>	<u>315,905</u>
*see attached Assumption Schedules			

North Lily Mining Company
Assumptions For
Pro Forma Statements (Projections)

Assumption for Land Sales - The sale price per acre (see attached schedule for properties sales) is based on both past sales the company has received for its properties, current negotiations with buyers and other sales by third parties properties in the area. Cost of sales are based on the Letter of Agreement (LOA) with the Standard Group, LLC and other third party costs to compute net revenues.

Assumptions for Operating Expenses - Expenses are projected based on the average of the companies past expenses, lease agreements and letter agreements. Audit, legal, accounting are projected; legal expenses – post-petition thru December 31, 2002 Kutner Miller Kearns, P.C. \$30,000; Patton Boggs \$5,000; Hein and Associates (audit) \$18,000; Wheeler Wassoff (bookkeeping) \$7,000 – January thru December 2003 legal expenses Patton Boggs \$5,000; audit \$15,000. Salaries – For the years 2002 and 2003 for officers and secretary-bookkeeper \$146,000 plus taxes \$12,300.

Assumption for Secured Debt Payment - Based on the projected property sales and Net Profit for the year ended 2002 all of the secured and unsecured priority debt would be paid in 2002 (see attached secured Debt Schedule). Based on discussions with Mr. Theodore Loud, the company assumes Mr. Loud will exchange his debt for common shares of the company. The Plan also offers the Secured Debtors an election to exchange all or a portion of their debt for common shares of the company. The company believes that some of these debtors may take this election.

Assumption for Payment to Unsecured Creditors - This assumption is based on the three Options of the Plan. See attached Unsecured Creditors Schedule showing the assumptions of which options each North Lily creditors will choose. Many creditors are not included in this schedule of cash/shares pay out because they are creditors of North Lily's subsidiary, Loanmining.com.

Option One – Assumption of the creditors electing this option is based on prior relations with these companies who they have taken shares for their services in the past.

Option Two - The listed companies electing this option is based on the assumption that most of these companies would not elect to take Options One or Three due to the size of the company or the preference to accept only cash. Although some of these companies might elect one of the other two options.

Option Three – Assumption of the creditors electing this option is based on prior relations with these companies who they have taken shares for their services in the past. Some of these companies could also elect Option One.

Assumption for Equity Financing: This assumption is based on the ongoing negotiations with a group of investors that have been involved with the company since 2001. This group has indicated their desire to invest in the company and the company is confident it will close this transaction this year. This financing will provide the working capital for the company to proceed with business opportunities it is currently reviewing.

North Lily - Land sales									
for the year 2002									
Pro Forma Projections	# acres	Option		Option purchase price/acre	Sales price	Cost of sale 10%	15% or \$20/acre per LOA	50% split per LOA	net to NL
		price							
Southern 640	640	200	128,000	350	(224,000)	22,400	33,600	16,800	(151,200)
Middel Patch	374	75	48,000	225	(84,150)	8,415	12,622	5,687	(57,426)
Elberta Fee simple	1,760	425	748,000	500	(880,000)	88,000	26,400		(765,600)
Homansville PMC	171	90	63,000	240	(33,840)	3,384	5,076	2,845	(22,535)
Mammoth/Slivercity PMC	640	90	57,600	175	(112,000)	11,200	16,800	10,000	(74,000)
Red Cross PMC	2,355	75	114,000	200	(471,000)	47,100	70,650	107,850	(245,400)
	5,940		1,158,600		(1,804,990)	180,499	165,148	143,182	(1,316,161)

North Lily - Land sales for the year 2002										
Pro Forma Projections	# acres	Option price	Option purchase	Sales price/ acre	sales price	Cost of sale 10%	15% or \$20/acre per LOA	Split 50% net to per LOA NL		
Paymaster	767	210	168,000	260	(199,420)	19,942	15,340	7,479	(156,659)	
Eureka fee simple	210	300	63,000	450	(94,500)	9,450	14,175	3,308	(67,567)	
Silver City fee simple	100	300	30,000	400	(40,000)	4,000	5,400		(30,600)	
Southern Patch PMC	320	75	24,000	210	(67,200)	6,720	10,080	12,240	(38,160)	
Njorthern Patch PMC	160	75	12,000	150	(24,000)	2,400	3,600	2,520	(15,480)	
	1,557		297,000		(425,120)	42,512	48,595	25,547	(308,466)	

[illegible]

North Lily - Schedule of Unsecured Creditors Payments					
		OPTION ONE	OPTION TWO	OPTION THREE	OPTION THREE
		all stock	Cash \$0.35/	Cash \$0.20/	Shares @
		\$1.00/share	dollar	dollar & rest	\$1.00/share
				in stock @	
				\$1.00/share	
Creditor	Claim	Shares	Cash	Cash	Shares
American Express	\$29,739.01		\$10,408.67		
Andy DiBattista	\$27,974.00			\$5,594.80	22,380
Anthem Life	\$0.00				
AT&T	\$1,233.68		\$431.79		
B.L. Berman	\$18,900.00			\$3,780.00	15,120
Cloudus	\$9,097.00			\$1,819.40	7,278
Business Wire	\$115.00		\$40.25		
Chase Management	\$5,616.70			\$1,123.34	4,492
Chemtech-Ford	\$1,450.00		\$507.50		
Coopers & Lybrand	\$33,172.20	33,172			
Corette Pohlman & Kebe	\$9,471.11	9,471			
CT Corporation Systems	\$255.00		\$89.25		
Data Safe	\$822.69		\$246.81		
Dean Witter Reynolds	\$723.13		\$253.10		
Dr. Sandeep Singla	\$25,000.00			\$5,000.00	20,000
Ducker, M&L, P.C.	\$11,599.67		\$4,060.00		
Edgar by Knight	\$594.00		\$207.90		
Environmental Management Services	\$7,739.87		\$2,708.95		
ESA Consultants, Inc.	\$2,824.76		\$988.67		
Gemisys	\$5,293.80		\$1,852.83		
Glenarm 1800 LLC	\$14,879.42		\$5,207.80		
Gregg and Dena Weeder	\$38,000.00			\$7,600.00	30,400
Harward Irrigation Systems	\$206.41		\$72.24		
HMO Colorado/Anthem Blue Cross	\$0.00				
Humana	\$1,339.94		\$468.98		
IOS Capital	\$4,617.12		\$1,615.99		
Kelly McGuire	\$2,500.00		\$875.00		
Merrill Lynch	\$1,205.95		\$422.08		
Association	\$796.72		\$278.85		
Mitchell Financial Printing	\$471.75		\$165.11		
Nicky Dozortsev	\$0.00				
Patton Boggs	\$48,523.74			\$9,704.75	38,819
Paul Ruttum	\$42,000.00			\$8,400.00	33,600
Paul and Carol Spor	\$4,500.00		\$1,575.00		
Phil Pankoff, P.C.	\$1,720.00			\$344.00	1,376
Pitney Bowes	\$175.00		\$61.25		
Praxair	\$317.14		\$111.00		

North Lily - Schedule of Unsecured Creditors Payments					
		OPTION ONE	OPTION TWO	OPTION THREE	OPTION THREE
		all stock	Cash \$0.35/	Cash \$0.20/	Shares @
		\$1.00/share	dollar	dollar & rest	\$1.00/share
				in stock @	
				\$1.00/share	
Creditor	Claim	Shares	Cash	Cash	Shares
Robert Kaufman/RAKG Partners, Inc.	\$50,000.00		\$17,500.00		
Ron Cooper c/o James C. Fattor	\$10,750.00		\$3,762.50		
Scott Simpkins	\$15,000.00			\$3,000.00	12,000
Sharon Shirk, MRA	\$3,000.00		\$1,050.00		
Skyline Telecom	\$127.81		\$44.73		
Smith Cageorge	\$1,109.88			\$221.98	888
Stephen E. Flechner	\$139,955.00			\$27,991.00	111,964
Company	\$3,675.00		\$1,286.25		
The Telephone Connection	\$97.50		\$34.13		
Utah Power	\$782.89		\$274.01		
Van Cott, et al.	\$6,681.51		\$2,338.53		
W. Gene Webb	\$138,739.00			\$27,747.80	110,991
Wheller Wasoff	\$52,000.00			\$10,400.00	41,600
Yellowstrike Exploration	\$19,768.00			\$3,953.60	15,814
Subtotal	\$794,561.40				
Marcelo Claure	\$38,068.00			\$7,613.60	30,454
Steve Friberg	\$35,227.00			\$7,045.40	28,182
Total	\$867,856.40	42,643	\$58,939.17	\$131,339.67	525,358
Total estimated cash payment to unsecured creditors (\$59,939.17 + \$190,278.84)				\$190,278.84	
Total estimated share distribution to unsecured creditors					568,001

AFFIDAVIT OF SERVICE

I do hereby certify that on this 5th day of February, 2002, I deposited a true and correct copy of the foregoing **NOTICE OF FILING EXHIBIT B TO JOINT DISCLOSURE STATEMENT TO ACCOMPANY FIRST AMENDED PLAN OF REORGANIZATION DATED JANUARY 4, 2002** in the United States Mail, postage prepaid and addressed as follows:

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